

TO: WIB Directors

FROM: Alan D. Degner  
Commissioner

DATE: March 28, 2003

SUBJ: DWD Communication 2002-19  
Participant Payment Policy

RE: Title I of the Workforce Investment Act of 1998

### **Purpose**

To provide Department of Workforce Development (DWD) policy concerning allowable payments to WIA Title I participants. This policy covers payments to participants for needs-related payments and supportive services. It also provides guidance on work experience, on-the-job training compensation, **incentives and stipends**, and limitations on activities that impact wages of incumbent workers. Changes in this policy from DWD Communication 98-70 are indicated by **bold** print.

### **Rescission**

DWD Communication 98-70 dated June 21, 1999 and entitled, "Participant Payment Policy."

### **Content**

#### **1. Supportive Services**

As defined in WIA Section 101(46), supportive services are services such as transportation, child care, dependent care, housing and needs-related payments that are necessary to enable an individual to participate in activities authorized under this title. Supportive services may be in-kind, cash assistance, or made through arrangements with other agencies.

**Each Local Board, in consultation with the One-Stop partners and other community service providers, must develop a policy on supportive services that ensures resource and service coordination in the local area. The policy should include procedures for referral to such services, including how such services will be funded when they are not otherwise available from other sources. The provision of accurate information about the availability of supportive services in the local area, as well as referral to such services, is one of the core services that must be available through the One-Stop delivery system. [WIA Section 134(d)(2)(H) and WIA Regulations at 20 CFR Part 663.800 for adults and dislocated workers. State policy for youth.]**

**In developing the local policy, Local Boards may establish limits on the provision of supportive services or provide the One-Stop operator with the authority to establish such limits, including a maximum amount of funding and maximum length of time**

**for supportive services to be available to participants. Procedures may also be established to allow One-Stop operators to grant exceptions to the established limits. [20 CFR Part 663.810 for adults and dislocated workers. State policy for youth.]**

The local policy must include an assessment process to determine the “needs” of the participant. Also, the provision and amount of any payment determined as necessary for participation must be recorded in the client’s file, and the local policy must be reasonable in light of local conditions and the outcomes expected. The local policy should also include provisions that ensure, to the extent possible, that similarly situated participants receive similar supportive services.

Supportive services may only be provided when they are necessary to enable individuals to participate in Title I services. [WIA Section 101(46).]

(a) Adults and Dislocated Workers

Under WIA, supportive services may only be provided to adults and dislocated worker participants who are:

- Participating in [staff-assisted] core, intensive, or training services; and
- Unable to obtain supportive services through other programs providing such services. [WIA Section 134(e)(2)(A) and (B).]

(b) Youth

**Supportive services are one of the ten program elements listed in WIA Section 129(c)(2) as options available to youth participants. 20 CFR Part 664.440 lists supportive services for youth. The list includes but is not limited to linkages to community services; assistance with transportation, child care, and dependent care; referrals to medical services; and assistance with uniforms or other appropriate work attire and work-related tools, including such items as eye glasses and protective eye gear.**

**2. Work Experience – Adults and Dislocated Workers**

Internships and work experiences are intensive services that may be provided to adults and dislocated workers. **The need for the internship or work experience must be documented in the client’s file.** Work experience is a planned, structured learning experience that takes place in a workplace for a limited period of time. Work experience may be paid or unpaid, as appropriate. A work experience workplace may be in the private for profit sector, the non-profit sector, or the public sector. Labor standards apply in any work experience where an employee/employer relationship, as defined by the Fair Labor Standards Act, exists. [20 CFR Part 663.200]

**3. Needs-Related Payments – Adults and Dislocated Workers**

Needs-related payments provide financial assistance to participants for the purpose of enabling individuals to participate in training and are one of the supportive services

authorized by WIA Section 134(e)(3) and 20 CFR Part 664.815 of the WIA Regulations. These payments may be provided for adults and/or dislocated workers who meet the following eligibility requirements:

Adults must:

1. Be unemployed;
2. Not qualify for, or ceased qualifying for, unemployment compensation; **AND**
3. Be enrolled in a program of training services under WIA Section 134(d)(4).

Dislocated Workers must:

1. Be unemployed, and:
  - (i) Have ceased to qualify for unemployment compensation or trade readjustment assistance under TAA or NAFTA-TAA; **AND**
  - (ii) Be enrolled in a program of training services under WIA Section 134(d)(4)(D) by the end of the 13th week after the most recent lay off that resulted in a determination of the worker's eligibility as a dislocated worker, or if later, by the end of the 8th week after the worker is informed that a short-term lay off will exceed six months; **OR**
2. Be enrolled and did not qualify for unemployment compensation or trade readjustment assistance under TAA or NAFTA-TAA.

Note: Payments may be provided after enrollment but prior to the commencement of training at local discretion, but only if the training program will begin within 30 calendar days. DWD is also authorizing local areas to extend the 30-day period to address appropriate circumstances. Local policy should describe appropriate circumstances.

Level of needs-related payments

(a) Local Boards must establish the payment level for **adults**.

(b) For **dislocated workers**, payments must not exceed the following level:

- (1) For participants eligible for unemployment compensation as a result of the qualifying dislocation, the payment may not exceed the applicable weekly level of unemployment compensation benefit; or
- (2) For participants who did not qualify for unemployment compensation as a result of the qualifying layoff, the weekly payment may not exceed the poverty level for an equivalent period. The weekly payment level must be adjusted to reflect changes in total family income as determined by Local Board policies. [WIA Section 134(e)(3)(C) And 20 CFR Part 663.840 of the WIA Regulations.]

#### **4. Work Experience – Youth**

Paid and unpaid work experiences, including internships and job shadowing, are one of the ten program elements that must be made available for youth. [20 CFR Part 664.410] Paid and unpaid work experiences for youth are planned, structured learning experiences that take place in a workplace for a limited period of time. Work experience workplaces may be in the private, for-profit sector; the non-profit sector; or the public sector. Work experiences are designed to enable youth to gain exposure to the working world and its requirements. Work experiences are appropriate and desirable activities for many youth throughout the year. Work experiences should help youth acquire the personal attributes, knowledge, and skills needed to obtain a job and advance in employment. The purpose is to provide the youth participant with the opportunities for career exploration and skill development and is not to benefit the employer, although the employer may, in fact, benefit from the activities performed by the youth. Work experience may be subsidized or unsubsidized and may include the following elements:

- 1) Instruction in employability skills or generic workplace skills such as those identified by the Secretary's Commission on Achieving Necessary Skills (SCANS)'
- 2) Exposure to various aspects of an industry;
- 3) Progressively more complex tasks;
- 4) Internships and job shadowing;
- 5) The integration of basic academic skills into work activities;
- 6) Supported work, work adjustment, and other transition activities;
- 7) Entrepreneurship;
- 8) Service learning;
- 9) Other elements designed to achieve the goals of work experiences. [20 CFR Part 664.460]

#### **5. Stipends and Incentives – Youth**

Reasonable incentives and stipends are allowable expenditures under the WIA youth program, provided that the provision of an incentive or stipend is included in the participant's individual assessment and service strategy. Local boards should take into account the costs effectiveness of providing incentives and/or stipends based upon local youth funding levels and the capacity of the local youth program to provide a quality offering of the required youth program elements as well as incentives and/or stipends.

#### **6. Combinations - Youth**

Youth can be paid for an entire day of work if at least 51% of the youth's time is spent in work experience with the rest of the day in some other type of allowable training. For example, a youth spends five hours/day in work experience and 3 hours/day in GED preparation. The youth will be paid for eight hours of work (includes paid work experience and incentive payment for GED preparation time.)

**7. On-the-Job Training – Youth**

**In most cases, on-the-job training is not an appropriate work experience activity for youth participants under age 18. Local program operators may choose, however, to use this service strategy for eligible youth when it is appropriate based on the needs identified by the objective assessment of an individual youth participant. [WIA Section 129(c)(2)(D) and 20 CFR Part 664.460(d) of the WIA Regulations.]**

**8. Administrative Provisions – Adult, Dislocated Worker, and Youth**

- (a) WIA requires that individuals in on-the-job training or individuals employed in activities under this title shall be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills. Such rates shall be in accordance with applicable law, but in no event less than the higher of the rate specified in Section 6(a)(1) of the Fair Labor Standards Act or the applicable state or local minimum wage law. [WIA Section 181(a)(1)(A).]
- (b) Allowances, earnings and payments to individuals participating in programs under this title shall not be considered as income for the purposes of determining eligibility for and the amount of income transfer and in-kind aid furnished under any federal or federally assisted program based on need other than as provided under the Social Security Act. [WIA Section 181(a)(2).]
- (c) WIA Title I funds must not be spent on the wages of incumbent employees during their participation in economic development activities provides through a statewide workforce investment system. [20 CFR Part 667.264(a)(1).]

**Effective Date**

This policy is effective upon the signature of the Commissioner.

**Ending Date**

This policy ends on June 30, 2004.

**Ownership**

The ownership of this policy lies with WIA Administration.

**Action**

Local administrators are directed to develop local policy and administer participant payments under WIA within the parameters provided by this policy and applicable federal and state regulations.